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A002EAA
MARK McCAGHREN APRIL 21, 2006

1 IN THE UNITED STATES DISTRICT COURT
 WESTERN DISTRICT OF MICHIGAN
2 SOUTHERN DIVISION

4 JOEL GOLDMAN,)
)
5 Plaintiff,)
 vs.) CASE NO.
6) 1:05 CV 0035
HEALTHCARE MANAGEMENT SYSTEMS, INC.)
7 and THOMAS E. GIVENS,)
)
8 Defendants.)
)
9)

10 THE DEPOSITION OF
11 MARK McCAGHREN
12 Taken on Behalf of the Plaintiff
13 April 21, 2006

22 ATKINSON-BAKER, INC.
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24 Reported by: Edward F. Kidd, Registered Professional
Reporter and Notary Public
25 FILE NO.: A002EAA

1 Q. Does one need the information in the abstract
2 file in order for billing to take place?

3 A. The abstract has to be final in order to drop a
4 bill. If the abstract -- if the patient has been
5 discharged, abstract not final, there will be an error
6 report at billing that says we cannot drop this bill.
7 This person's abstract is not final. It will hold
8 billing for that patient.

9 Q. What in abstract is necessary -- what
10 information in abstract is necessary in order to avoid
11 that error?

12 A. It must be finalized.

13 Q. Is abstract the primary place where the DRG
14 information is stored?

15 A. Yes.

16 Q. Does the DRG information in the patient's file
17 come from the abstract file?

18 A. Yes.

19 Q. Is the DRG information necessary for billing to
20 take place? Let me rephrase.

21 You testified that a finalized abstract is
22 necessary for billing to take place?

23 A. Uh-huh.

24 Q. What information in abstract is necessary in
25 order that it be final?

1 A. I believe you can finalize an abstract with
2 basically no diagnosis, no procedures, no CPTs. I may
3 be incorrect on that, but I believe that you can do
4 that. The billing checks to make sure this patient has
5 an abstract. It has to have a finalize of, yes, means
6 we're done, we're through with this.

7 Q. Is the billing function within patient
8 accounting?

9 A. Yes.

10 Q. And I assume that once a bill is generated it
11 becomes an account payable within the financial suite
12 of the program, of the HMS software?

13 A. Yes.

14 Q. What other programs does abstract interface
15 with other than patient accounting?

16 A. Clinicals, the clinical suite. Maybe some in
17 financials. I don't know.

18 Q. Could you explain how the abstract interface
19 with clinicals occurs?

20 A. Not entirely, no. But I believe there are
21 instances where certain functions in clinicals look to
22 the abstract for certain information.

23 Q. Is that same information obtainable anywhere
24 else, say, from the patients file?

25 A. I wouldn't know.

1 patient accounting is. Is there any information in
2 abstract, any of the data in these fields that is
3 necessary in order for patient accounting to work
4 properly?

5 A. Not that I'm aware of.

6 Q. HMS included Exhibit 41 in its operator's
7 manual for the benefit of people using the program;
8 correct?

9 MS. JACOBS: Object to the form.

10 BY MR. SMITH:

11 Q. Let me rephrase. Do you know why HMS included
12 Exhibit 41 in its operator's manual?

13 A. No.

14 Q. Would an operator ever refer -- is it likely
15 that an operator who wanted to learn about HIM would
16 refer to Exhibit 41?

17 MS. JACOBS: Object to the form; asking
18 for speculation.

19 BY MR. SMITH:

20 Q. You can answer.

21 A. Yes.

22 Q. Why?

23 A. To see how the flow goes from patient -- from
24 admissions to HIM, if they want to learn how it worked.

25 Q. If for some reason the abstract file were

1 removed from the entire suite of HMS software, HIM
2 would become inoperable; is that correct?

3 A. If the abstract file were removed, yes.

4 Q. What would happen to the remainder of the HMS
5 suite of software if abstract were removed?

6 A. There would just be no medical records
7 function. Everything else would be, admissions,
8 discharges, business office, would work.

9 Q. And if you could estimate the number of
10 programming hours required for the DRG -- back up.

11 You testified that a final bill could not be
12 created without a finalized abstract; correct?

13 A. Yes.

14 Q. How many programming hours do you estimate it
15 might take to alter the system so that billing could
16 occur without an abstract file?

17 A. And how a medical records system...

18 Q. We're talking if an abstract file were not to
19 exist. You testified earlier that not only does an
20 abstract file have to exist, it has to be finalized
21 before the system can output a bill?

22 A. Uh-huh.

23 Q. And I'm saying it sounds as though, based on
24 your testimony, that the information that resides in
25 abstract is not necessary to create a final bill. It's